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CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

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SVK

CV 19 2029

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

NNG, Kft., a Hungarian corporation,

Plaintiff,

vs.

Giles D. Shrimpton, an individual

Defendant.

COMPLAINT

For its complaint against Defendant Giles Derek Shrimpton ("Shrimpton" or "Defendant"), Plaintiff NNG, Kft. ("NNG" or "Plaintiff") alleges as follows:

JURISDICTION

1. This Court has federal question jurisdiction over this action under 28 U.S.C. § 1331 because this action alleges violations of federal statutes, specifically the Defend Trade Secrets Act, 18 U.S.C. § 1836 *et seq.* This Court has supplemental jurisdiction over the state law claim pursuant to 28 U.S.C. § 1367.

2. Venue is proper in this judicial district under 28 U.S.C. § 1391 because, upon information and belief, a substantial part of property that is the subject of the action (namely, the trade secrets misappropriated by Defendant) are controlled, stored or hosted in this judicial district by Apple Inc. ("Apple") through its iCloud service.



1 8. NNG has developed a substantial amount of confidential and proprietary
2 information including, without limitation software, technology, knowhow, pricing strategies,
3 marketing strategies, customers lists and contacts, and the like (collectively, "Confidential
4 Information").

5 9. NNG has used reasonable measures to protect its Confidential Information,
6 including by restricting access to such information to employees on a need to know basis,
7 using physical security to restrict access to its offices, using software to restrict access to
8 NNG's computer systems and data to authorized individuals, and utilizing company-wide
9 policies and employment agreements restricting disclosure and use of such Confidential
10 Information.

11 10. NNG's Confidential Information has independent economic value because it is
12 not generally known to and not readily ascertainable by others through proper means.

13 11. On or about June 16, 2016, NNG hired Defendant Shrimpton to act as its Chief
14 Executive Officer.

15 12. In connection with his employment, Shrimpton agreed to, among other things,
16 maintain all information and data related to NNG and the activities of NNG which he learned
17 through his employment as trade secrets of NNG, including, but was not limited to, technology,
18 products, business and financial information, which are within the scope of the Confidential
19 Information as defined above. Shrimpton further agreed that during and after his employment
20 with NNG, he would not disclose such information to any unauthorized third parties.

21 13. On Friday, April 5, 2019, NNG asked Shrimpton to tender his resignation.

22 14. On Sunday, April 7, 2019, without NNG's knowledge or consent, Shrimpton
23 spent approximately 3.5 hours forwarding emails and attachments from his email account at
24 NNG to his personal email account hosted by Apple's iCloud service. During that time period,
25 Shrimpton sent approximately 268 emails including nearly 200 attachments, such as slide decks
26 and Excel spreadsheets, to his iCloud email address. These emails and attachments contained a
27 broad range of NNG's Confidential Information, including, for example: (a) NNG's business
28

1 information regarding customers, including proposals, projects and strategies; (b) NNG's
 2 business model for its user experience ("UX") products; (c) NNG's long term business plans;
 3 (d) internal management presentations; (e) NNG's financial information, including sales,
 4 budgets, costs and forecasts; (f) licensing strategies and terms; (g) patent-related information;
 5 (h) employee information, including compensation; (i) privileged information, including that
 6 involving potential litigation; (j) product-related information concerning quality processes and
 7 customer claims; and (k) information relating to the planned M&A of the company itself,
 8 including company valuation and, transaction proposals (third-party business secrets).

9
 10 15. On Monday and Tuesday, April 8 and 9, 2019, NNG and Shrimpton completed
 11 the legal paperwork for his departure. His last day at NNG was April 9, 2019.

12 16. On April 11, 2019, NNG learned of Shrimpton's Sunday afternoon mass
 13 emailing of NNG's Confidential Information, including documents, to Shrimpton's personal
 14 iCloud email address.

15 17. NNG immediately contacted legal counsel in the United States to seek
 16 emergency relief to prevent Shrimpton from assessing, disclosing or using the Confidential
 17 Information. Disclosure or use of such Confidential Information is likely to cause NNG to
 18 suffer irreparable injury. The information can be used by Shrimpton himself or improperly
 19 disclosed to NNG's competitors enabling them to gain a competitive advantage over NNG.

20 **FIRST CAUSE OF ACTION**
 21 **(Defend Trade Secrets Act, 18 U.S.C. § 1836(b))**

22 18. NNG incorporates by reference the foregoing paragraphs of this Complaint as if
 23 fully set forth herein.

24 19. NNG is the lawful owner of the Confidential Information that Defendant
 25 downloaded and sent to his personal email address and stored on the iCloud service.

26 20. NNG has taken reasonable measures to maintain the secrecy of such
 27 Confidential Information.

28 21. NNG's Confidential Information derives independent economic value from not

1 being generally known to and not being readily ascertainable by others.

2 22. Defendant misappropriated NNG's trade secrets for his own use and economic
3 gain by unlawfully emailing Confidential Information to his personal email account.

4 23. Defendant, with an intent to convert trade secrets related to a service used in
5 interstate and international commerce and knowing that such conversion would inure to
6 Defendant's economic benefit and harm NNG, knowingly:

- 7 a. Stole, or without authorization, removed, concealed, or by fraud, artifice or
8 deception obtained such information;
9 b. Without authorization copied, duplicated, downloaded, altered,
10 transmitted, communicated, or conveyed such information; and
11 c. Received or possessed such information, knowing the same to have been
12 stolen or appropriated, obtained, or converted without authorization.

13 24. Defendant's actions in sending the trade secrets to his Apple iCloud account is
14 an action in furtherance of the aforementioned offenses that occurred in the United States,
15 subjecting him to liability under the Federal Trade Secret Misappropriation Act.

16 25. As a result of Defendant's unlawful misappropriation, NNG has suffered
17 irreparable injury and damages in an amount to be determined at trial.

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19 **SECOND CAUSE OF ACTION**
20 **(California Uniform Trade Secrets Act,**
21 **Cal. Civ. Code § 3426 *et seq.*)**

22 26. NNG incorporates by reference the foregoing paragraphs of this Complaint as if
23 fully set forth herein.

24 27. NNG is the lawful owner of the Confidential Information that Defendant
25 downloaded and sent to his personal email address and stored on the iCloud service.

26 28. NNG has taken reasonable measures to maintain the secrecy of such
27 Confidential Information.

28 29. NNG's Confidential Information derives independent economic value, from not

1 being generally known to, and not being readily ascertainable to, others.

2 30. Defendant misappropriated NNG's trade secrets for his own use and economic
3 gain by unlawfully emailing the Confidential Information to his personal email account.

4 31. As a result of Defendant's unlawful misappropriation, NNG has suffered
5 irreparable injury and damages in an amount to be determined at trial.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, Plaintiff prays for the following relief:

8 A. Equitable relief in the form of a temporary restraining order and preliminary and
9 permanent injunction prohibiting the illicit conduct described herein and prohibiting access to
10 the Confidential Information;

11 B. Entry of an award for actual damages, statutory damages, punitive or treble
12 damages, and such other relief as provided by U.S. federal law and California law;

13 C. Pre-judgment and post-judgment interest on such monetary relief;

14 D. The costs of bringing this suit, including reasonable attorneys' fees; and

15 E. For such other relief as the Court deems just and proper.

16
17 Respectfully submitted,

18
19 Dated: April 12, 2019

By: /s/ Michael J. McCue

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